

Policy Committee Meeting Minutes 2-25-99

Called to Order by Richard Walker at 1:30 p.m.

In attendance:

NAME	REPRESENTING	NAME	REPRESENTING
Ted Kappen	UBAG	Lisa Nielsen	UBAG
Lou Ann Christensen	BRAG	Pauline Zvonkovic	HUD
Paul Clark	SEUALG	Brent Tucker	HUD
Keith Broadhead	MAG	Glenna Matekel	CDBG
DeMar Mitchell	WFRC	Keith Heaton	CDBG
Lane Nielson	WFRC	Sheila Peterson	CDBG
Steve Browne	MAG	Richard Walker	CDBG
Debbie Hatt	SEUALG	Brad Anderson	UBAG
Shirleen Lowry	SCAOG		
Elaine Murphy	FCAOG		
Laurie Brummond	UBAG		
Jay Aguilar	BRAG		

Welcome and Introduction of New Members

Richard Walker called the meeting to order. In lieu of a Chairman or Vice-Chairman, Richard introduced the two new individuals on the Policy Committee. Mayor Paul Clark (East Carbon City), will represent the SEUALG Region, replacing Kent Peterson. Mayor Doug Evans (Oakley City), will represent the MAG Region, replacing Keith Broadhead. Mayor Broadhead attended this meeting, due to a prior commitment of Mayor Evans.

Reorganization of Policy Committee Leadership

According to the by-laws, Richard asked that nominations be opened for the office of Chairman of the State of Utah Small Cities Community Development Block Grant Program.

Lou Ann Christensen made the motion to nominate Mayor Mitchell as the Chair.

Keith Broadhead seconded the motion.

Richard explained that the CDBG Policy Committee was organized by Governor's Resolution as an official body to set policy for the program statewide. There are seven members of the committee, one from each of the seven regions of the state as organized by the Governor. The responsibility is to meet as needed, which is typically three times a year, to set policy for the program, to conduct public participation, to assist in the preparation

Ted Kappen motioned that nominations cease. All voted in favor of the nomination.

Chair Mitchell opened nominations for the office of Vice Chair of the Policy Committee.

Lou Ann Christensen made the motion to nominate Ted Kappen as the Vice Chair.

Keith Broadhead seconded the motion. All voted in favor of the nomination.

Responsibilities of the CDBG Policy Committee

Richard distributed copies of the Community Development Block Grant Policy Committee (CDBG) By-Laws. Richard noted that Mayor Brough from the SCAOG has tendered his resignation, due to complications in attending the meetings. SCAOG will submit three names for consideration by the Governor Office. Mayor Pryor was not in attendance due to illness.

and adoption of the Application Guide, and other program guidelines. The committee shall also provide two-way communication between the state and the cities and counties within the respective regions and to assist in educating and training all cities, towns and counties, as well as non-profit agencies and low & moderate income persons themselves, how to more effectively utilize the CDBG program.

Approval of Minutes - Committee Meeting 9/3/98

Mayor Mitchell asked if there were any corrections necessary to the meeting minutes of 9/3/98.

Ted Kappen asked that his title be corrected to read Commissioner, rather than Mayor, on the 1st page, second paragraph. The meeting time should be changed to read 1:30 p.m. instead of 1:30 a.m.

With the two corrections noted, **Ted Kappen motioned that the 9/3/98 meeting minutes be approved.**

Lou Ann Christensen seconded the motion. All were in favor of the motion.

Expectations for the CDBG Program

Richard reported on his recent trip to Washington, D.C.

- The funding will basically be flat for FY 2000. There are not any increases being suggested out of Congress or out of the President's budget. There does not seem to be any less support for the program, so we will be looking at similar funding.
- There will be less set-a-sides at the federal level.
- Layton City became an entitlement city, thereby taking a large number of people out of the Wasatch Front Region (approximately 52,000), cutting the WFRC allocation, but slightly increasing the funding to the rest of the regions.
- HUD is on the verge of completing an electronic data interface (EDI), which is a way of doing the performance and evaluation report electronically. The internet access should be available about the end of the year. It is hoped that we would be going on the system in late Fall of this year or early 2000. HUD is also developing the Department Grants Management System (DGMS) of which IDIS will be a part, but will be a tracking software program that HUD uses to track all of the programs throughout the entire

Jay Aguilar informed the committee that the BRAG Regional Review Committee and the governing board have heard presentations from the principals involved in the application for a Interim Loan from CDBG for the Logan Convention Center. The objective is to enhance the core of Cache Valley by creating a

department, so that they can be more accountable with reporting to GAO and other watchdog agencies in the federal government.

- HUD is pulling out of a lot of the high disaster areas and will be requiring flood insurance basically on any home or improvement where there is a high incidence of flooding, hurricanes, etc.
- HUD is asking us to work on outcome and accomplishment based measuring systems so that we are continually trying to be more responsible for the way we spend money. Richard has some information from HUD on how they are suggesting we do this, which will be discussed at the Policy Retreat in June.
- There is a new regulation (in draft) regarding fair housing. It is mostly related to the entitlement communities, but will have an affect on the small cities program as well. Through these new regulations HUD will enforce compliance regarding impediments to fair housing and affirmatively furthering fair housing. The problem is their review is fairly subjective. It doesn't tell us the basis on which they will review. Therefore, we are asking for more structure and more direction on what we ought to be doing and how it will be ultimately evaluated.
- HUD is working on a memorandum of understanding between HUD and the Dept. of Agriculture, Rural Development sections for rural development kinds of coordination and collaboration. They have instructed us to try to do some of those things ourselves to begin to use our rural development council and other vehicles which are in place to help us to better coordinate what we are doing and what they are doing, as well as, bringing other state programs into the discussion. This is one of the objectives in our consolidated plan.

Logan Conference Center

visitor/conferencing area, a hotel, and also to increase the available parking in the center block of Logan. The integration of these facilities will allow sharing of uses, (i.e. daytime vs. nighttime) and an enhancement of the nearby retail, entertainment, and food service businesses. A further benefit derived includes creation

of new employment positions in a wide range of salaries including food service, hospitality, and conferencing.

Richard explained that the presentation during this meeting is introductory and certainly a lot of things could take place over a period of time to change the maturity of the project. He felt it would be a good idea for the policy committee to be introduced to the project since it only meets approximately three times per year. Richard explained that they are applying for a float loan for two years with one year extensions. We would be loaning money that is already under contract with someone else and we would do it supported by a letter of credit. They will need to obtain a letter of credit, the source of that letter at this point we don't know. This would be the collateral or guarantee for this loan, whether or not they can get it will be the determining factor. It is suggested that Bear River Association of Governments be the grantee (loan recipient).

Lou Ann Christensen made a motion to approve the \$4 million interim loan for the Logan Conference Center based on a letter of credit as collateral, as a two year loan with an option to renew in one year at 1 1/2% interest.

DeMar Mitchell seconded the motion.

Discussion: Richard stated that because of the requirements of the program he would like to have a business plan and a financial evaluation before a decision is made. He asked the committee to make it a part of the motion to ask them to come back to the next meeting prepared with the information, prior to making a decision of this magnitude.

Keith Broadhead asked about the national objective being met and what public needs are being met by this project. Low income job creation is the way the project will meet the national objective. Richard noted that potential employment generation should be projected as part of the business plan.

Lou Ann Christensen added to her motion that this approval be conditional upon the Logan Conference Center group providing a business plan, financial evaluation, balance sheet with profit and loss statements, and a complete evaluation with proformas at the next meeting of the policy committee.

Keith Broadhead stated he thinks the conditional approval of this interim loan is premature and the motion to approve should be tabled until a review is completed of the information requested.

Lou Ann restated her motion that the policy committee approve the \$4 million interim loan to the Logan Conference Center based on a letter of credit for collateral for two years with an option to extend for one year at 1½% interest conditional upon the provision of a business plan and financial evaluation/statement.

Ted Kappen seconded the motion. Motion was passed with Keith Broadhead voting nay.

SEUALG - Food Bank

The SEUALG made a request for an interim loan using next year's allocation. The use of the money is to construct a regional food bank. The building currently being used is very old and is not ADA compliant. In the region's evaluation of what was needed to bring the building into compliance it was discovered that the property had been a bulk oil storage facility and had also stored 'pcb' contaminated electrical transformers. Therefore, they are requesting funds to build a new facility on the AOG property. The region has a grant in this year's allocation to renovate the parking lot and combining the two projects will save considerable funds and time. Personnel that work for the Food Bank and the HEAT Program will have space in the facility as well. Richard verified that the Regional Review Committee for the region and the SEUALG Board has approved this concept for repayment of the loan out of next year's allocation.

Paul Clark made the motion to approve the interim loan guaranteeing the loan with next year's CDBG allocation instead of a letter of credit as collateral.

Lou Ann seconded the motion. All were in favor of the motion.

Consolidated Plan Discussion and Approval

Richard distributed handouts as follows: the Community and Economic Development goal and objective statement, the Housing goal and objective statement, and the Table of Contents showing the different components of the Consolidated Plan. The Consolidated Plan is a legal document required by the Department of Housing and Urban Development (HUD) in order for us to be able to spend CDBG, HOME, Emergency Shelter and Housing Opportunities for People with Aids (HOPWA) dollars, which is now a formula grant that the states receive.

The development of these plans at the regional level is unprecedented and the applicability is extending into other state programs. As regions write their consolidated plans there are components for capital investment planning, which now the community impact fund is using as well. Region prioritization applies to our program and we want to enhance that in the future. There will be an effort to provide a more coordinated approach to development with all other funding sources through the means of a rural development council already partially in place. We will build upon that initiative and try to do some things to bring this plan into the drinking water programs, EPA clean water programs, etc. This plan should not be limited to just HUD programs. Water projects still remain as the number one priority. There are some changes, with community planning, growth management and capital investment planning as the second priority. Transportation is a priority this year because of curb, gutter, and sidewalk projects. Basically fueled by the BRAG region the next priority is public services. Sewer and storm drainage, public safety, community centers, accessibility projects, parks and recreation are the remainder in that order.

In the economic development section the plan states that the state will perpetuate the five revolving loan programs. It also states doing redevelopment projects, where possible, using interim loan funds, section 8, and any other resources available. Potentially the first of these will be the Logan project discussed earlier in the meeting. The economic development priorities are developing detailed economic development plans, plan for and create infrastructure to support economic development, provide training and technical assistance to low income persons and business owners to create jobs and new businesses, and provide planning and technical assistance, as well as, funding for downtown redevelopment.

Specifically our tasks in the one year action plan are to update the consolidated plan, looking at the year 2000 and setting priorities. Education and public participation, projects will be developed to accomplish the priorities established in the local plans, to develop a rural development partnership, bringing to the table different agencies and funding sources, so that when a project is proposed there are other sources coordinated to bring about larger projects.

Lou Ann Christensen made a motion to approve the State Consolidated Plan with a suggestion that a discussion is held regarding housing in rural areas.

Paul Clark seconded the motion. All were in favor.

Community Builder Program

Richard explained a new initiative HUD is trying to implement called the Community Builder Program. HUD is placing community builders locally so they are accessible to help us by providing technical assistance, guiding us to additional funding sources where possible and providing a more intimate knowledge of HUD services that can be provided. He distributed a handout provided by the Council of State Community Development Agencies. Their description of the Community Builders role and responsibility is to act as HUD's outreach arm to communities, to serve as the initial point of contact and critical link from the community to the full range of the departments programs and services. Richard noted that a memorandum of understanding could be developed between the State CDBG program and the Community Builder, formalizing the relationship, and to assure coordination and avoid conflict. Richard introduced Pauline Zvonkovic and Brent Tucker, community builders from the HUD office here in SLC. Pauline and Brent further presented information as to how they are going to try and fulfill those responsibilities.

Water Planning & Credit Enhancement Set-asides

Richard informed the policy committee members that all of the contracts for water planning, except Grand County have been issued (\$350,000 set aside), which will be done shortly.

Richard informed the policy committee that the particular set aside for Credit Enhancement, which was to be used in conjunction with the SUCCESS Program, has not worked well, in fact, none of the money (\$49,000) has been spent. The SUCCESS Program is the Workforce Development initiative for combining housing services and employment services. The set aside was to demonstrate whether or not credit enhancement would be appropriate to help people to then qualify for a mortgage if we helped them with a small amount of money to clean up past credit problems with counseling. A letter was sent recently to each of the regions informing them that this money would be freed up to use in any kind of a housing related program where individuals would need credit enhancement. For example: qualifying people for rehabilitation or first time home buyer program. The regions need to submit a proposal describing briefly how the money will be used, and the contract will be issued. The money should be spent by December 31, 1999.

Summary of Policy Changes - Phone Poll 12/98

Richard reiterated the policy committee's approval of the resolution to the discrepancy on audit findings with respect to revolving loan funds:

- Any balance in the Program Income Account must be spent prior to expenditure and submittal of a new RFF for new money with the following exceptions: 1) The loan manager may maintain a balance of \$5,000; or 2) program income funds obligated contractually to a recipient, but which may only be paid for immediate 30 day cash needs, not paid lump sum, may be subtracted from the program income balance prior to calculating how much new money may be drawn with prior state approval.

1999-2000 Training Program

Richard reviewed the proposed training program and schedule for the grantee workshops.

March 23rd - AM - in SLC for Acquisition grantees
March 25th in Orem for UBAG and MAG grantees
March 29th - PM - in Richfield for Econ. Dev. grantees
March 30th in Richfield for SEUALG, SCAOG & FCAOG
April 1st in Kaysville for BRAG and WFRC grantees
April 15th - AM - AOG's
April 15th - PM - Public Service grantees
Housing grantees - to be determined

Ted Kappen motioned to approve the 1999-2000 Grantee Workshop training program and schedule.

Lou Ann Christensen seconded to motion. All were in favor.

Policy Committee Retreat for 2000-01

Richard distributed and reviewed an outline of items for discussion at the policy retreat in June. The location will be Castle Dale or Price.

Lou Ann Christensen motioned to approve June 10-11, 1999 as the date for the Policy Retreat.

Paul Clark seconded the motion. All were in favor.

Other - CDBG 25th Anniversary

Keith Heaton discussed the 25th anniversary of the

CDBG program and the celebration of that anniversary during Community Development week March 29^h - April 2nd. Keith handed out a brief review of the history of the program, a resolution, a proclamation and a press release that can be used in each locality to recognize the accomplishments of the CDBG program. Keith also distributed a letter that could be personalized and sent to the state delegation in Washington commending the success of the CDBG program.

Keith Broadhead motioned to adjourn the meeting.

Paul Clark seconded the motion. All were in favor.

